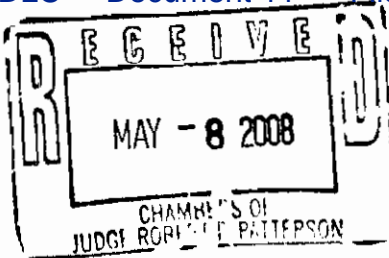




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ATTORNEYS AT LAW



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May 8, 2008

Via Facsimile (212) 805-7917

Hon. Richard P. Patterson
United States District Judge
United States District Court
500 Pearl Street, Room 2550
New York, NY 10007

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: 5/8/08

Re: Kundan Rice Mills Ltd. v. JLM International, Inc.
Docket No. 08 Civ. 3699 (DLC)
Our ref: 08-1354

MEMO ENDORSED

Dear Judge Patterson:

We represent the Plaintiff, Kundan Rice Mills Ltd., in the above referenced action. We attach a courtesy copy of the parties' Stipulation signed by your Honor last week which had the effect of voluntarily vacating Plaintiff's maritime attachment and staying this action.

The attached stipulation was agreed to at JLM International's insistence in *less* than a working day despite the fact that Plaintiff is based in India and while the undersigned was heavily engaged in preparing for a trial before Chief Judge Robert N. Chatigny in the District of Connecticut that only concluded yesterday. The stipulation was agreed on the express condition that JLM International would "promptly" remit to Plaintiff \$50,000 (in a Euro denominated wire transfer) and also establish a \$50,000 escrow account pending the outcome of the parties' arbitration. JLM International has failed to remit payment or establish an escrow over a week since the stipulation was agreed.

JLM International's counsel, Mr. Grayson, reading below in copy, has advised the undersigned in an email sent on Tuesday that he is "looking into" the situation. A message left this morning has not been returned. Plaintiff fails to see what needs to be "looked into." We request your Honor order JLM to comply with the terms of the stipulation immediately.

We thank your Honor for his time and attention to this matter and regret that JLM International's failure to abide by its agreement requires us to contact the Court. We are available to discuss this matter at any time convenient to the Court.

Respectfully submitted,

Kevin J. Lennon

So & back
Robert Patterson
USDC
5/8/08. 1 P.M.

Part I

KJL/bhs
Enclosure

cc: **Via Hand Delivery**
Hon. Denise L. Cote
United States District Judge
United States District Court
500 Pearl Street, Room 1040
New York, NY 10007

Via Facsimile (203) 622-8104
Eric D. Grayson, Esq.
Grayson & Associates, P.C.
12 West Putnam Avenue, 2nd Floor
Greenwich, CT 06830

Case 1:08-cv-03699-DLC Document 10

USDC SDNY 08 Page 1 of 3
DOCUMENT
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DATE FILED: 4/29/08

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

KUNDAN RICE MILLS LTD.,

Plaintiff,

JLM INTERNATIONAL, INC.,

Defendant.

08 CV 3699 (DLC)

ECF CASE

**STIPULATION AND ORDER TO HOLD ACTION IN ABEYANCE, RELEASE OF
FUNDS, RETURN SECURITY DEPOSIT, ESTABLISH ESCROW AGREEMENT AND
PROCEED TO ARBITRATION**

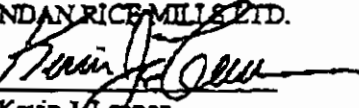
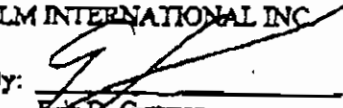
It is hereby stipulated and agreed as follows:

1. The parties agree that this action will be held in abeyance until the completion of the parties' arbitration. Defendant reserves all of its right to contest the Court's admiralty jurisdiction and all other aspects of the complaint as filed;
2. The attachment is hereby vacated and all garnishees are directed to release any and all of Defendant's funds restrained pursuant to the Ex Parte Order and Process of Maritime Attachment and Garnishment;
3. Plaintiff agrees to promptly instruct all garnishees to release any and all of Defendant's funds restrained;
4. Defendant agrees to promptly refund one-half of Plaintiff's \$100,000 security deposit and to return the \$50,000 to Plaintiff in a Euro denominated wire remittance in the current Euro equivalent of \$50,000;
5. Defendant agrees to promptly transfer \$50,000, representing the balance of Plaintiff's \$100,000 security deposit, to its undersigned counsel to be held in an interest bearing escrow account pending the outcome of the parties' New York arbitration;
6. The \$50,000 to be held in escrow shall be the subject of a joint escrow agreement


whereby no portion of the funds shall be withdrawn, transferred or otherwise impaired except upon written consent of the parties' undersigned counsel who shall acts as joint trustee of the escrowed funds, or upon written award of the Arbitrators and/or Order of a Court of Competent Jurisdiction; and

7. Defendant agrees appear within the arbitration commenced by Plaintiff by nominating its arbitrator no later than the close of business on Friday, May 9, 2008.

Dated: April 29, 2008
New York, New York

<p>The Plaintiff, KUNDAN RICE MILLS LTD.</p> <p>By:  Kevin J. Lennon LENNON, MURPHY & LENNON, LLC The GrayBar Building 420 Lexington Ave., Suite 300 New York, NY 10170 (212) 490-6050 (212) 490-6070 fax kjl@lennmur.com</p>	<p>The Defendant, JLM INTERNATIONAL INC</p> <p>By:  Eric D. Grayson GRAYSON & ASSOCIATES, P.C. 124 West Putnam Avenue, 2nd Floor Greenwich, CT 06830 (203) 622-1800 (203) 622-3104 ericgrayson@grayson-law.com</p>
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April 29, 2008
SO ORDERED:


U.S.D.J.
Part I